

12 March 1976

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Andy Marshall

1. Andy called me today to discuss what to do about the DCI's decision yesterday in regard to studies of Soviet defense expenditures. I told him my understanding was that, rather than disband the present MEAP or form a separate group, we would use the MEAP as the base for a joint CIA/DoD effort. It would become a DCI panel, and we would add Dam and Laffer to the present membership. We would welcome DoD's suggestions for additional members.

2. Andy then repeated his concern that the MEAP was confined only to improving CIA's present methodology. I told him that was not my understanding, that the panel's charter permitted it to recommend different ways of approaching the problem as well. In any case, my understanding of yesterday's decision was that the panel should be given a wide-open charter and indeed charged with developing alternative methodologies. It was agreed that DoD would draft a suggested new charter, and would suggest additional members for the panel.

3. We then discussed Ellsworth's point about "policy implications." I told Andy of the decision to produce a NSSM, and reminded him that our ruble figures would not be ready before April 15 (I have also so informed Ober). Andy accepted these points but said that in his view there was still a large intelligence factor in such a NSSM. We had never had a satisfactory measure of "burden" or of the Soviet bureaucracy's perception of it, a note not unfamiliar to Andy's fans. One thing he wants the reconstituted panel to do is look at new ways of approaching the burden problem. I agreed that these were legitimate intelligence interests and said that a start might be made under the umbrella of the new NSSM.

RICHARD LEHMAN

25X1